

Message Text

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ACTION AF-18

INFO OCT-01 EUR-25 ISO-00 CIAE-00 DODE-00 PM-07 H-03

INR-10 L-03 NSAE-00 NSC-10 PA-04 RSC-01 PRS-01 SPC-03

SS-20 USIA-15 ACDA-19 IO-14 NEA-10 SCEM-02 INT-08

FPC-01 SCI-06 NSF-04 EB-11 COME-00 OMB-01 DRC-01 /198 W

----- 128122

R 301320Z NOV 73

FM AMCONSUL DURBAN

TO SECSTATE WASHDC 1617

INFO AMEMBASSY PRETORIA

AMCONSUL CAPE TOWN

AMCONSUL JOHANNESBURG

AMEMBASSY GABORONE

AMEMBASSY MASERU

AMEMBASSY MBABANE

AMEMBASSY LONDON

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E. O. 11652: N/A

TAGS: ENRG, EGEN, SF

SUBJ: DIEDERICHS ON SA OIL SITUATION

REF: PRETORIA 4221

1. SA FINMIN DIEDERICHS, IN ADDRESS TO NATAL CHAMBER INDUSTRY DINNER NOV. 29 EXPRESSED SAG'S GROWING CONCERN FOR SOUTH AFRICAN OIL POSITION IN LIGHT OF THREATENED ARAB OIL BOYCOTT, BUT REASSURED BUSINESSMEN THAT "WHILE SITUATION SERIOUS IT NOT CRITICAL." SAG AUTHORITIES, HE SAID, HAD HAD FORESIGHT TO DEVELOP CONSIDERABLE OIL RESERVES AND SOUTH AFRICA REQUIRED OIL FOR ONLY ABOUT 25 PERCENT OF ITS ENERGY NEEDS. SHE HAD SUFFICIENT ELECTRICITY, COAL AND "VERY SOON URANIUM" TO HELP ALLEVIATE ENERGY SITUATION. SAG WAS RELUCTANT, HE ADDED, TO USE ITS CURRENT OIL RESERVES FOR OTHER THAN STRATEGIC PURPOSES.

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2. DIEDERICH'S EXPRESSED VIEW THAT WORLD COULD NOT ALLOW OIL BOYCOTT TO CONTINUE INDEFINITELY FOR SOUTH AFRICA SUPPLIED MOST OF THE RAW MATERIAL NEEDS AND REPRESENTED A PRINCIPAL MARKET FOR THE COMMON MARKET COUNTRIES. HER STRATEGIC LOCATION ON THE CAPE SEA ROUTE MEANT THAT THOUSANDS OF PASSING SHIPS REQUIRED HER DOCKS, BUNKERS AND FOOD. HE WARNED THAT AN ARAB OIL BOYCOTT WOULD HAVE MOST SERIOUS CONSEQUENCES FOR THE NEIGHBORING BLS COUNTRIES AND SOUTH AFRICA'S OWN BLACK POPULATION.

3. THE MOST IMMEDIATE THREAT OF OIL BOYCOTT, HE REITERATED, WAS EFFECT IT COULD HAVE ON BUSINESS CONFIDENCE. HE WARNED THAT BUSINESS COMMUNITY MUST NOT BECOME PESSIMISTIC NOR ALLOW OIL THREAT TO DETER THEM FROM CONTINUED INVESTMENT, INDUSTRIAL DEVELOPMENT AND ECONOMIC GROWTH.

4. COMMENT: CONGEN OFFICER ATTENDING DINNER RECEIVED STRONG IMPRESSION THAT SAG INDEED FRIGHTENED BY OIL RESTRICTION PROSPECTS AND UNSURE OF APPROPRIATE COUNTERMEASURES. DIEDERICH'S WISHFUL THINKING ABOUT WEST'S RELIANCE ON SOUTH AFRICA APPEARED BE ONLY STRAW HE COULD OFFER TO BOLSTER BUSINESSMEN CONFIDENCE. HOLMES

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Message Attributes

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